

Pages xeroxed from "A Study of the Agency Procurement System"

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July 1966

MEMORANDUM FOR: The Inspector General

SUBJECT: A Study of the Agency Procurement System

Working closely with representatives of your staff, we have completed a study of Agency procurement organization, procedures and practices. This report contains our findings and recommendations.

Summaries of our findings and recommendations may be reviewed in Chapters II and VI respectively. Detailed discussions concerning procurement and inventory management with particular emphasis on the differences between directorates, components, and divisions will be found in Chapters III and IV. Recommendations pertaining to organization realignment and the need for an information system will be found in Chapter V.

Unusual Activity Influence

This study was undertaken during a period of extremely heavy activity in the Far East. That particular mission has provided a heavy influence on the reaction of the Agency's procurement and logistics support systems as well as the related financial and auditing functions. We were acutely aware of this influence throughout the study and have made great effort not to permit it to affect our conclusions and recommendations. Rather, we were able to use it as a measurement of how effectively the various systems continue to operate in such circumstances.

Cooperation

This report contains many criticisms. However, we feel strongly that the readers should consider these as criticisms of systems and not of personnel. Among the many industrial and governmental units with which we have been privileged to associate, we cannot recall one which contains more sincere, intelligent, and dedicated personnel than are found in the Agency.

GROUP 1 Excluded from automatic downgrading and declassification

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Our study could have been extremely complicated because of the necessary compartmental organization of the Agency. However, this was not the case. We received excellent cooperation from all the Agency personnel who participated with us in the review or whose systems were being reviewed. Moreover, we found a general acceptance and enthusiasm for the need for assessment of the system. In some cases, procedural changes were put into effect immediately which reflected joint decisions by Agency personnel and our representatives. In other cases, where suggestions involved more complex and extensive changes, steps were taken by Agency personnel to begin implementation.

We wish to express our appreciation for the many courtesies extended to us during the study.

Very truly yours,

Peat, Marwick, Livingston & Co.
Peat, Marwick, Livingston & Co.

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